

We're Getting Results...

**In Creating Jobs,
Regulatory Reform,
Liability Reform,
Agriculture, International
Trade, Higher Education,
Education Reform,
Workforce Training,
Transportation and
Creating a Competitive
Economic Climate.**

2004

**Task Force on Jobs and
Economic Competitiveness**

**House
Democratic
Caucus**

..... **Results in Creating Jobs**

Following up on the dramatic action the legislature took to win the Boeing 7E7 competition in 2003, the effort to create more good-paying jobs continued in the 2004 session. The legislature strived to invest the public's dollars in ways that insure the high-tech and bio-tech sectors of our economy thrives, assist the expansion of existing businesses, protect existing businesses faced with global competition and encourage the development of small businesses.



Combined with recent successes to reduce the regulatory burden and to fund improvements in our public works, transportation and capital infrastructure, Washington State has aggressively moved to make our economy more competitive.

Research and Development Incentives*

Recognizing that Washington State continues to be a leader in the development of a new economy including the software and bio-technology sectors, the legislature granted a ten-year extension of tax incentives to companies who do research and development in the high-tech industry.

Rural Economic Development Incentives*

To promote economic development in our state's rural areas, the legislature extended the sales tax exemption on construction of manufacturing and research facilities in rural areas, and a B&O tax credit for help-desk enterprises.

Aluminum Industry Support

The legislature reduced the B&O tax burden on aluminum smelters for manufacturing and wholesaling through 2006 in order to provide relief for a struggling industry. The aluminum industry provides high-wage jobs and is a critical employer in several of our state's communities.

Small Business Incubator and Assistance Act of 2004*

Business incubation is a dynamic process to stimulate the creation of small businesses by providing hands-on management assistance, access to financing assistance and other technical support. This legislation will create a program to help produce small businesses that are viable and freestanding when they leave the incubator, usually after two or three years.

* Competitiveness Council Recommendation

Results in Regulatory and Liability Reform

During the past two years, a great deal of progress was made to reform our regulatory system without weakening our environmental safeguards. In 2004, the legislature made further progress to create a new approach between agencies, businesses and citizens to allow for responsible development while protecting due process and our environment.



Permit Streamlining

With the support of the business community, an important agreement was reached on laws governing industrial and construction stormwater discharge permits. This law will provide over 1,000 businesses with clear permit requirements and responsibilities to protect water quality.

Challenges to State Regulations*

To make government more responsive and convenient to its residents, the legislature authorized additional court venues for administrative rule challenges in Spokane, Yakima and Bellingham for residents in those appellate districts.

Reasonable Rules*

The legislature granted state agencies the authority to provide simpler, clearer communication with affected citizens about proposed rule changes.

Condominium Construction*

With the goal of reducing litigation and liability insurance rates to spur the construction of condominiums and meet housing needs in our cities, the legislature approved the Condominium Act. The Act encourages liability insurers to re-enter the market and reduce rates by clarifying claims and rules related to these cause of actions.

Obesity Lawsuits

The legislature limited the ability to sue fast food distributors for obesity-related health problems caused by or the result of long-term purchase or consumption of food.

Asparagus Industry Support

The legislature developed, with the support of the asparagus industry, a targeted package to help both growers and processors maintain jobs in Washington.

Heart of Washington

Creates a non-profit corporation to carry forward the work of the "Heart of Washington" campaign to market Washington's agricultural products and build consumer support.

Washington Beef Processors

Responding to a threat from a foreign ban on US beef products due to the mad cow crisis, the legislature acted to provide a B&O tax deduction for the beef processing industry in Washington until the import bans are lifted.

Results in Agriculture and International Trade

Washington's economy has been hurt by the global impact on the agricultural community - particularly in the food processing sector that has moved to low-wage countries. The legislature worked with many of the state's agricultural stakeholders - farmers, processors and producers, to develop proactive strategies to keep those businesses and their jobs in our state.



* Competitiveness Council Recommendation

Results in Higher Education

To be a competitive player in the knowledge economy in the United States and the world, a state must have a world-class higher education system. Demand for enrollments is high and our system is under real pressure to grow and improve in order to provide our citizens with the best opportunity for an education that will lead to a high-paying job and high quality of life.

Supplemental Budget Support for Higher Education*

The 2004 supplemental budget provided an additional \$17 million to our colleges and universities for the purpose of funding and additional 2,908 enrollments, including 858 high demand enrollments.

Higher Education Capital Projects*

The legislature approved an additional \$120 million for higher education capital projects including a building for the Washington State University branch campus in Spokane.



Performance Contract*

To enhance accountability of public dollars, authority to develop a pilot performance-contracting model for higher education institutions was passed.

Results in Education Reform

More than ever before, our businesses and their employees are part of a world-wide economy. To compete, businesses need a highly educated workforce and an education system that meets the demands of the workplace, and employees need a quality K-12 education and opportunities to be trained for the jobs of today and the future. To meet this challenge, the 2004 legislature took several long sought-after steps to further advance the reform of our education system.



WASL Graduation Requirements*

Requires a high school student to obtain the Certificate of Academic Achievement as a condition for graduating starting in 2008; establishes the assessment areas as reading, writing, science and mathematics and provides for retakes and alternative assessments.

Learning Assistance Program*

Targets resources to provide incentives to schools for improvement and offers technical assistance for struggling schools and districts.

Levy Changes

Revises the school district levy base calculation for the purpose of determining a school district's maximum levy authority for a specified time period.

Results in Workforce Training

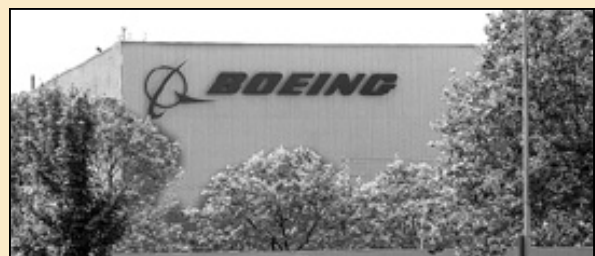
To meet the constantly changing and challenging needs of the global economy, our businesses need highly motivated employees with upgraded skills to maintain a productive workplace. Workforce training is the ticket to a good paying job and better quality of life for many of our state's citizens.

Duwamish Training Center

Approved funding for the site acquisition next to the South Seattle Community College to build a workforce training center for new and emerging apprenticeships in high demand fields.

Boeing 7E7 Workforce Training Center

Approved the funding to build a world-class training center less than 10 minutes from the final assembly site to support the employee skill needs of the 7E7.



Results in Creating a Competitive Economic Climate

There are many ways to create a positive economic climate for our businesses to succeed and create and retain jobs. Some of these strategies may be small in relative terms to major reforms, but add up to help businesses compete and succeed.



Small Employers Health Care

Small businesses have faced soaring costs in providing employees health care insurance. To help create a market for more affordable plans with less comprehensive coverage but lower premiums, the legislature authorized health care insurers to offer a plan to small employers that features a limited schedule of covered health care services.

Small Business Grants Tax Policy*

Included in the legislation to extend the research and development tax credits was the exemption of B&O tax on federal grants to small businesses receiving small business innovative research grants.

Washington Restaurant Industry

The expiration date on gift certificates used extensively by the restaurant and retail coffee industry is removed to provide a more common-sense application of the unclaimed property law and will result in a tax savings to the businesses.

Results in Transportation

The 2003 transportation finance package funds a \$4.2 billion investment in Washington's transportation system -- the first major new investment since 1991. The investments in highway projects, ferry construction, freight rail and local bus service are critical to our economic development efforts and quality of life improvements.

Freight Mobility*

The 2004 Legislature passed a supplemental transportation budget that funds local freight mobility projects omitted in 2003. These projects are at the Port of Pasco and in Colville, Kent, Seattle, Fife, Benton County, Spokane and Granite Falls.

The \$13.9 million investment from the state will leverage \$128.5 for projects that:

- Reduce delays.
- Improve access to port facilities.
- Increase train speeds.
- Link the Kent Valley warehouse/industrial center to SR 167 and I-5.
- Reduce grain growers' shipping costs.
- Enhance the use of the Columbia River for freight movement.
- Reduce air pollution.
- Reduce pedestrian conflicts.

Transportation Finance Package*

Raises \$4.2 billion in taxes and other revenue over the next 10 years to finance needed transportation investments. Revenues include a nickel gas tax increase, a 15% increase in truck weight fees 0.3% sales tax on vehicles, a \$20 voluntary license plate retention fee and almost \$2 billion in bonds.

Transportation Workforce Efficiencies*

Efficiencies include contracting with the private sector for construction and engineering services; improvements in the prevailing wage system and training improvements for today's highly technical transportation workforce.

** Competitiveness Council Recommendation*



2004 Task Force on Economic Competitiveness

House Democratic Caucus